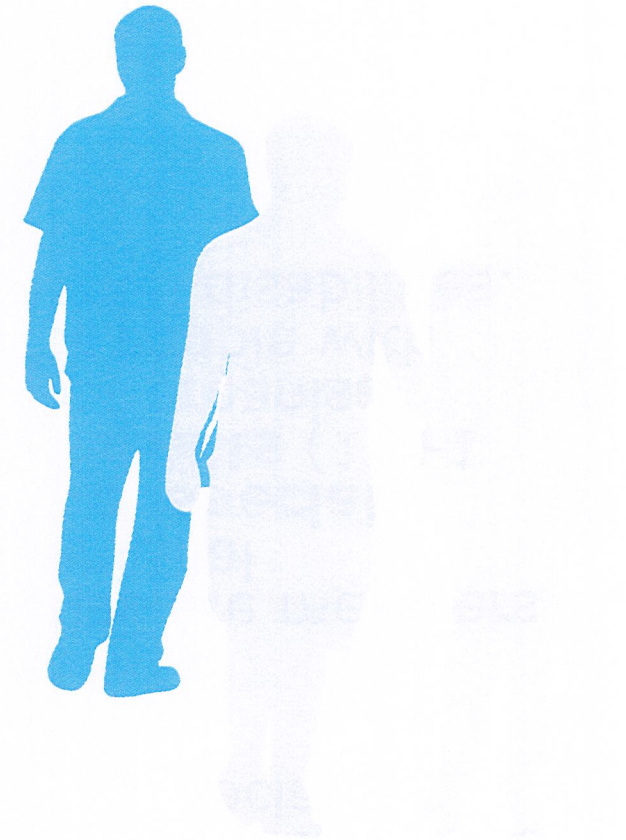


# Healthcare and social welfare reform package in Finland

General information 14 April 2016



# Current situation: healthcare and social welfare services in mainland Finland

## Healthcare services

- **Municipalities** (local authorities, 297 in mainland Finland) are responsible for organising health care services
- **Hospital districts** (20 in total) are responsible for specialised medical care. A municipality has to be part of a hospital district to organise specialised medical care.
- **5 collaborative catchment areas** are responsible for arranging highly-specialised medical care

## Social welfare services

- **Municipalities** (local authorities) are responsible for organising social welfare services
- Municipalities are members in joint municipal authorities of **special welfare districts** (15+1 in total) that organise services for people with developmental disabilities.



# Why is the reform needed?

- The growing need for services among the aging population, the changing range of illnesses and wider possibilities for treatment along with greater expectations from the population create pressure for mounting costs
- Slow economic growth and a high total tax rate by international standards are an impetus for finding new ways to curb rising costs.
- Inequalities among different areas and groups



# Government programme

- The aim of the healthcare and social welfare reform package is to narrow down disparities in health and to manage costs
- The reform will be implemented by integrating services and by strengthening the financial carrying capacity of service organisers
- The Government is strengthening the sustainability of public finances by implementing structural changes

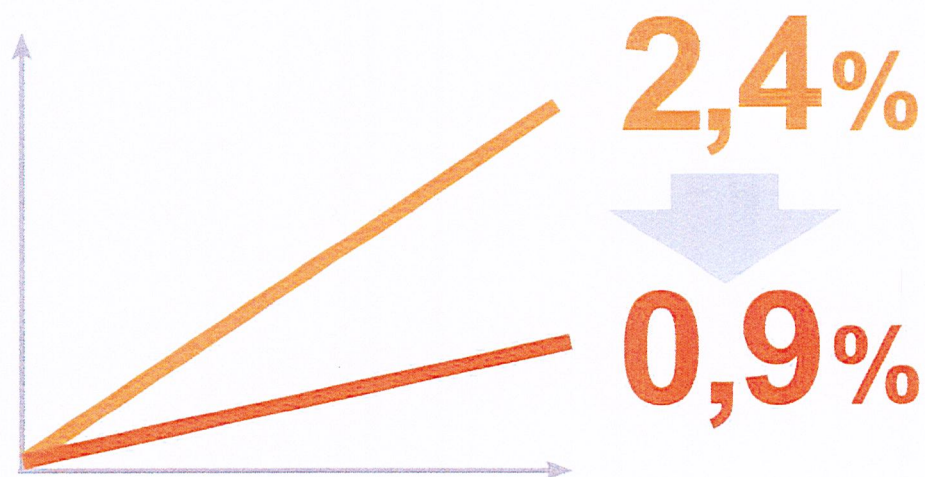


# Bridging the sustainability gap

The savings target for the healthcare and social welfare reform package is EUR 3 billion

The expected annual growth of healthcare and social welfare costs must be cut from 2.4% to 0.9% between 2019 and 2029

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# Solution for arranging the services

- 18 autonomous regions (counties) will be established. Counties will have responsibility for healthcare and social welfare services
  - Also some other duties will be under the mandate of the counties
- 5 collaborative areas based on the existing catchment areas
- Specialised operations and emergency duties will be centralised
- Counties will be managed by elected councils



# New functions of the counties as of 1 January 2019

Regional state authority with nationwide responsibilities

## Government

- Decisions on healthcare and social welfare services: nationwide work division, division of duties over county borders, policies for service provision, broad-based investments, other measures needed to safeguard availability of services, steering of information management and ICT, steering of counties through agreements

## Counties

- Healthcare and social welfare
- Rescue services
- Duties of the regional councils
- Regional development duties and tasks related to the promotion of business enterprise
- Environmental healthcare
- Planning and steering of use of regions
- Promotion of regional culture and identity
- Other statutory services organised on a scale that is larger than a municipality that require deliberation
- Cooperation between counties

## Collaborative catchment areas

- Centralised duties in most demanding services
- Streamlining of service structure, investments and services
- Development and centres of excellence
- Emergency medical service unit
- Collaborative tasks and forum
- Cooperation agreement

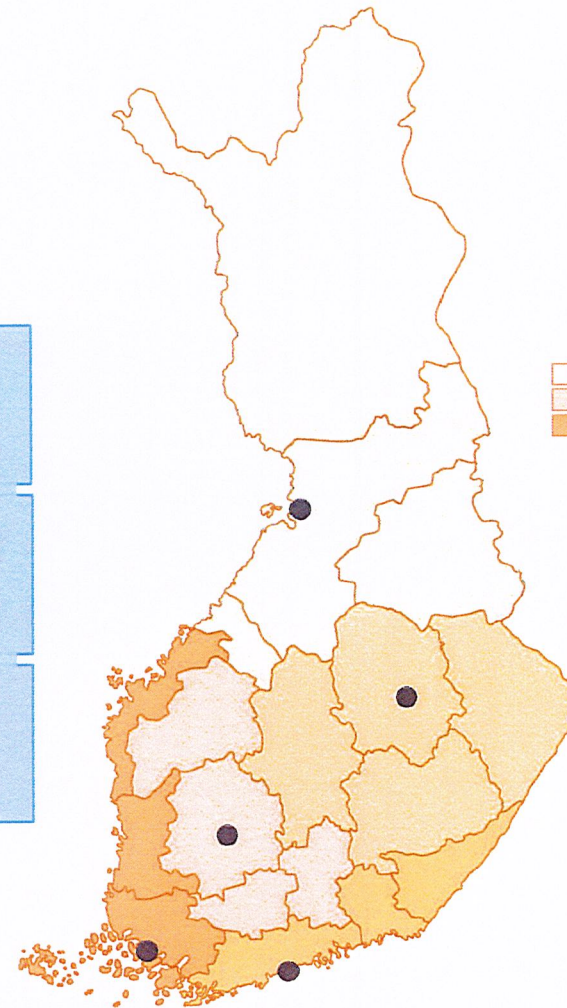
## Municipalities

- Statutory duties – local tasks
- Promotion of health and wellbeing
- Local democracy and dynamism
- General mandate

Joint ICT services, other joint support services


## Service providers

- Public, private and third sector service providers



## 18 counties

- Responsibility for organising services
- Responsibility for financial resources
- Determines service level and contract for arranging services

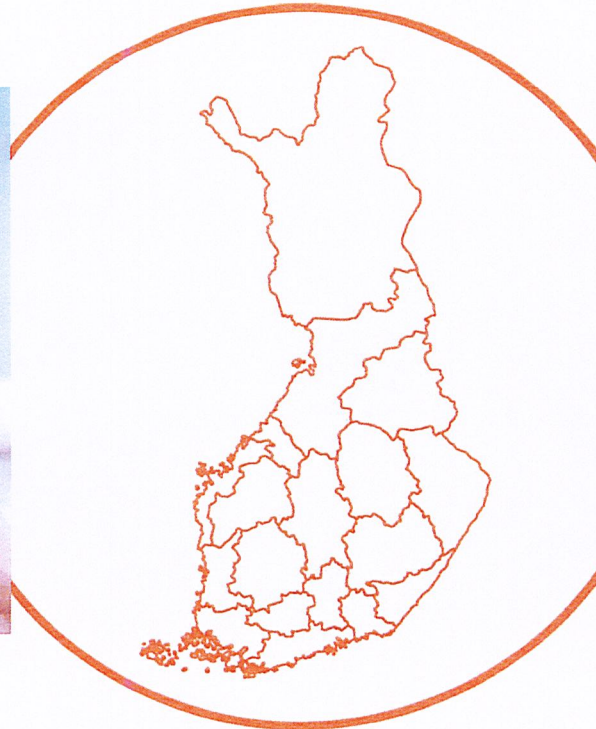
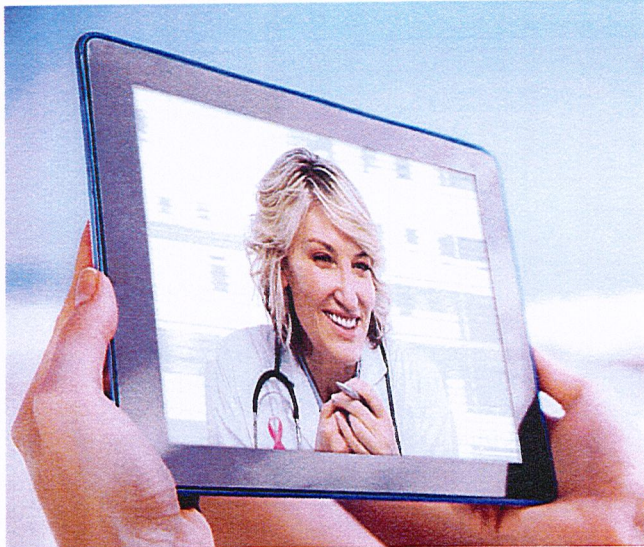
 **5 collaborative catchment areas**

**12 units with extensive service around the clock (incl. 5 university hospitals)**

**Municipalities**



# Equitable healthcare and social services for all

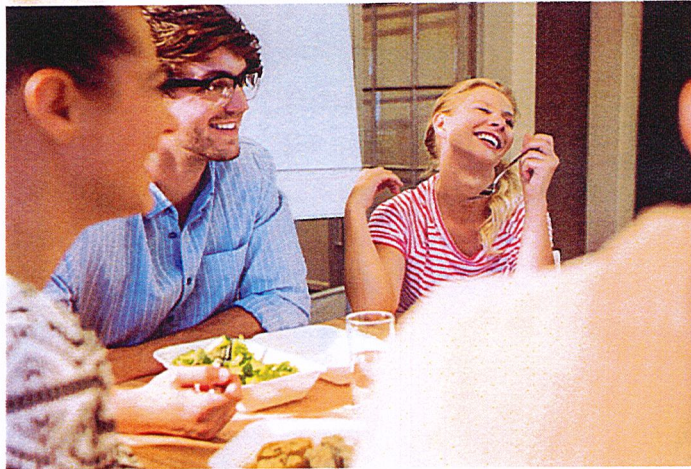
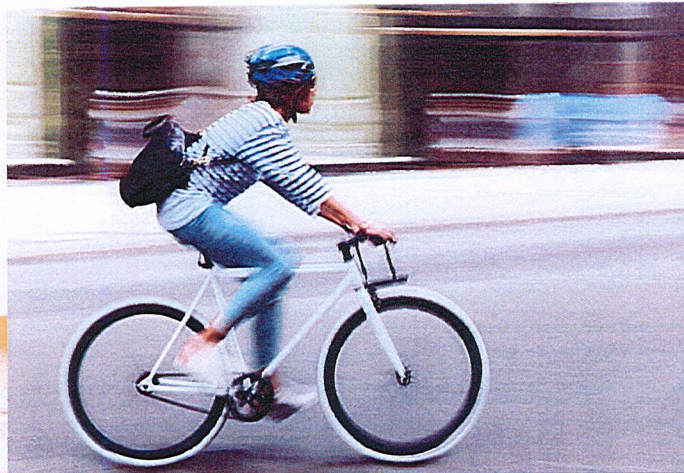


- Counties provide people with equitable healthcare and social services throughout the country. Services must be near their users and meet the needs of the local people.
- The services are equitable but can be offered in different ways. For example a doctor's appointment may be a face-to-face or a remote access consultation.





# Health and welfare promoted in municipalities



- The municipalities and NGOs continue to play an important role in promoting people's health and welfare
- Everyday home and work environments must be designed to support wellbeing.
- People are also responsible for their own wellbeing and that of their families and friends.

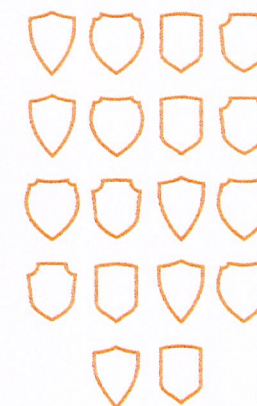


# More than 220,000 employees to work for the counties

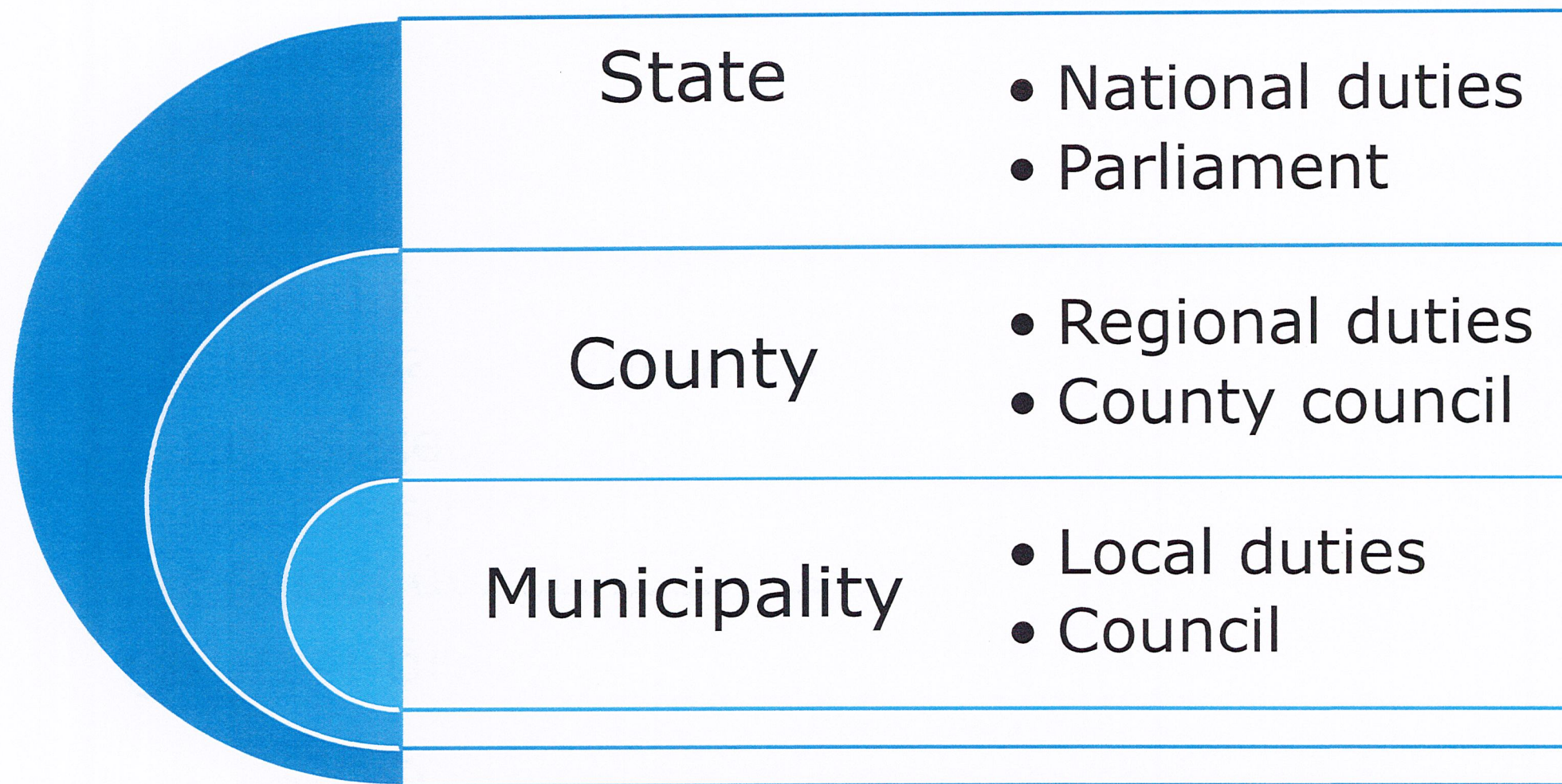
The healthcare, social welfare and regional government reform package is by far the largest overhaul of human resources in the history of the Finnish labour market . Good human resources policy will be respected.

The reform package applies to:

- over 200,000 employees in the healthcare and social welfare sector
- 15,000–18,000 employees in the support services (catering, cleaning, facility services)
- around 2,500 employees in the Centres for Economic Development, Transport and the Environment, around 2,400 employees in the Employment and Economic Development Offices and around 60 employees in the regional state administrative agencies



# Forthcoming three administrative tiers



# Financing

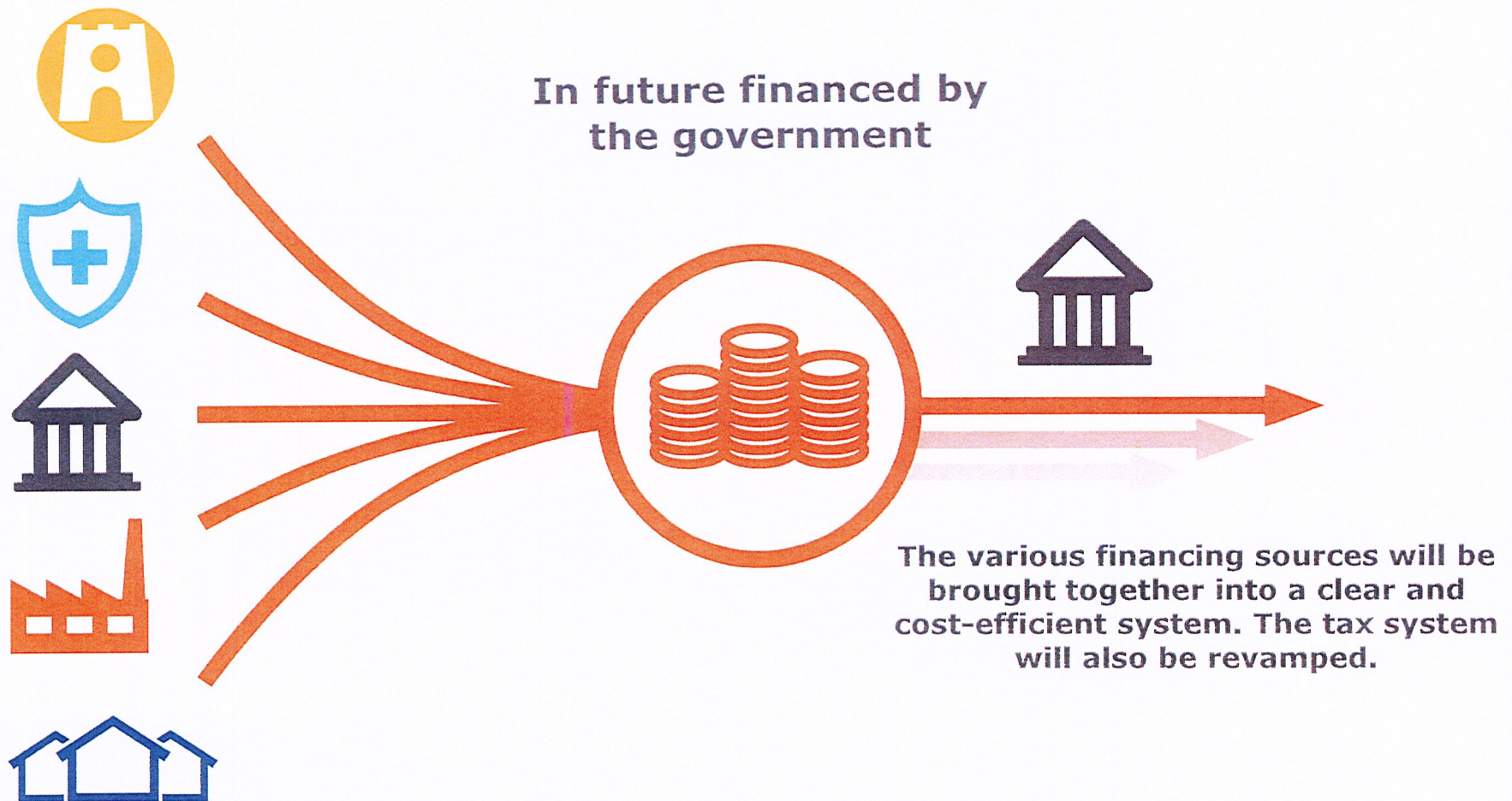
## 1. Central government funding

- Central government tax revenue will be increased through the current earned income tax system
- Counties will not have the right to levy taxes during this Government term

## 2. Simplifying the multisource financing of healthcare and social welfare



# Simplifying the multisource financing in healthcare and social welfare



# Guidelines for financing

- The tax-to-GDP ratio must not increase and labour income taxation must not be tightened at any income level
- Therefore municipal tax revenue must decrease by the same amount as central government tax revenue increases, estimated at EUR 11.5 billion



# Service provision

- Each county will provide the necessary healthcare and social services itself or together with other counties, or may use the services of the private sector or the third sector
- Indicators for efficiency and quality of services will be created
- Wider freedom of choice for customers



# More freedom of choice in healthcare and social services



- Each county approves the service providers and sets quality criteria.
- The adoption procedure and criteria are under preparation.
- Opportunities will be ensured for small and medium-sized enterprises to offer their services.
- The counties give information to help residents in their decision making.

Within the range of services covered by the freedom of choice, customers choose either a public, private or third sector service provider.

The counties grant the same pecuniary compensation to public and private service providers.





# More freedom of choice for customers

- New legislation on freedom of choice will be enacted: customers can choose between public, private or third sector service providers.
  - The freedom of choice will be the main principle at the basic service level and also in specialised services where appropriate
  - Equal opportunities for competition for both public and private providers
  - Public provision needs to be incorporated
- Legislation to simplify multisource financing and broader freedom of choice will come into force on 1 January 2019
- Rapporteur working group and practical preparation were started in 2016



# Healthcare and social welfare reform – a functional change

- Focus on people and effectiveness
- Customer-oriented, integrated services
  - customers get appropriate, sufficient and timely services
  - the service chain works smoothly for the customer
  - various measures and expertise within healthcare and social services are combined in a flexible way
  - the service and care chains are managed as an entity, and information is transferred smoothly between the different operators
  - in an entity with several providers, the service chains need to be cross-organisational.



# Timetable

- May and June 2016: Circulation of the new bill for comments
- End of the year 2016: Bill will be presented to the Parliament
- July 2017: Enactment of the new legislation
- 2018: Elections
- January 2019: Responsibility for the organisation of healthcare and social services will be transferred from joint municipal authorities and municipalities to the counties



<http://alueudistus.fi/en>



Thank you!

